

BEFORE THE MARYLAND HEALTH CARE COMMISSION

IN THE MATTER OF

*

ST. MARY'S LONG TERM CARE, LLC *

**BLUE HERON NURSING AND
REHABILITATION CENTER**

*

Docket No. 13-18-2348

* * * * *

**INTERESTED PARTY COMMENTS OF
LP LEXINGTON PARK, LLC
D/B/A CHESAPEAKE SHORES**

Pursuant to COMAR 10.24.01.08F(1), LP Lexington Park, LLC d/b/a Chesapeake Shores ("Chesapeake Shores"), by its undersigned counsel, submits these comments regarding the certificate of need application (the "CON Application") filed by St. Mary's Long Term Care, LLC and St. Mary's Healthcare Realty, LLC (collectively, the "Applicant") to establish Blue Heron Nursing and Rehabilitation Center ("BHNRC").

Introduction

Chesapeake Shores is a comprehensive care facility located at 21412 Great Mills Road, Lexington Park, Maryland 20653. Chesapeake Shores is located in St. Mary's County. Chesapeake Shores has been in operation since 2007, and the facility under prior ownership since 1982. It currently operates 117 licensed comprehensive beds, with 8 beds temporarily delicensed (for a total capacity of 125 beds). Chesapeake Shores has needed to temporarily delicense beds every year due to excess capacity since at least 2008. Chesapeake Shores serves patients from all of St. Mary's County, as well as from the tri-county area.

Chesapeake Shores provides a full range of services and programs to its patients, including:

Physical, occupational, and speech therapy services
Respiratory therapy services
Diabetic management and teaching
Respiratory program
Daily recreational activities
Pastoral care
Respite care
Hospice services
Social services
Psychiatric and psychological services
Wound care
Tracheostomy care
IV therapy
Pain Management
Transportation services
Ancillary services including x-ray, laboratory, podiatry, dermatology

Chesapeake Shores also has a full time nurse practitioner on staff. CMS Nursing Home Compare (www.medicare.gov/nursinghomecompare) gives Chesapeake Shores an overall rating of four out of five stars.

The Applicant proposes to establish BHNRC as a new 140-bed nursing home in Callaway, Maryland. BHNRC would be located in St. Mary's County, approximately 5 miles from where Chesapeake Shores is located, a 7-minute drive-time. The Applicant lists various services that it claims will be provided at BHNRC, but only "as the market demands" (see Application at 8, 33, 43) so it is unknown what services would actually be provided. The Applicant's proposed service area is all of St. Mary's County. Response to 1st Completeness Question 15.

The Applicant proposes to be the operator and licensee of BHNRC, but claims no experience operating a comprehensive care facility in Maryland or in any other state. Instead, the Applicant proposes to contract with two other entities on which it will depend in operating the facility. Specifically, it would contract with Fundamental Administrative Services, LLC

(“FAS”) for administrative support services including all back office and financial functions, and Fundamental Clinical and Operational Services (“FCOS”) for clinical support services including not only the development of its clinical programs but also operational support for those programs. See Application at 6, Response to 1st Completeness Question 4. FAS and FCOS, which operate comprehensive care facilities in states other than Maryland, are prominent in the Application. Indeed, the Applicant frequently refers to BHNRC as an “FCOS facility” (see Response to 1st Completeness Questions 3(e), 10(a)), and all of the programs to be provided at BHRNC that are alleged to be “clinically sophisticated” (Application at 8) are FCOS programs. The only person responsible for implementing the project identified in the Application is a Senior Vice President of FAS from Texas (Bronz Peterson). See Application Part IV(1); Response to 1st Completeness Question 3(c).¹

Even though the Applicant makes FAS and FCOS and their experience and clinical programs a central part of the Application, after one year, the contract between BHNRC and those entities can be terminated by either party. Response to 1st Completeness Question 3(e). After one year, BHNRC could be in the hands of an inexperienced licensee/operator and without the clinical programming or support on which the Applicant relies in attempt to demonstrate the need for BHNRC and its viability.

The Applicant heavily relies on the Commission’s published 192-bed need projection for St. Mary’s County in 2016 in the Application. It relies on that need projection not only as its need demonstration, but also asserts it as grounds to waive the jurisdictional occupancy standard. The Applicant bootstraps the same projection to give short shrift to the impact of the project on

¹ It should be noted that the list of the “Fundamental Family of Nursing Homes” provided by the Applicant includes many lower-rated (1,2 and 3) nursing homes on CMS’s Nursing Home Compare. See Exhibit 1.

Chesapeake Shores and the other existing nursing home in St. Mary's County (St. Mary's Nursing Center ("SMNC")), concluding without analysis that the project "should" have no adverse impact because the Commission has projected that these additional beds are needed. Likewise, the need projection is the foundation of the Applicant's claim that BHRNC is the most cost effective alternative. Assuming that the 140 beds are needed because of the Commission's need projection, the Applicant argues that existing comprehensive care facilities could not construct expansion projects to accommodate 140 additional beds more cost-effectively than the Applicant proposes to construct BHRNC. The Applicant ignores occupancy levels at Chesapeake Shores and SMNC well below the level required before new capacity may be considered and which demonstrate that there is no need for a new nursing home in the County. The Applicant also ignores the devastating impact that the project would have on Chesapeake Shores.

For the reasons set forth below, the Application should be denied because it fails to satisfy fundamental requirements of the State Health Plan for Facilities and Services: Nursing Home and Home Health Agency Services, COMAR 10.24.08, and the review criteria set forth in COMAR 10.24.01.08G. As further set forth below, Chesapeake Shores requests and is entitled to be granted interested party status in this review because it would be adversely affected by the approval of the CON Application within the meaning of COMAR 10.24.01B(2) and (20).

Chesapeake Shores' Qualification as an Interested Party

Under COMAR 10.24.01.01B(20), an interested party includes "a person who can demonstrate to the reviewer that the person would be adversely affected, in an issue area over which the Commission has jurisdiction, by the approval of a proposed project." Under COMAR

10.24.01.01B(2)(a), a person is “adversely affected” if the person “is authorized to provide the same service as the applicant, in the same planning region used for purposes of determining need under the State Health Plan or in a contiguous planning region if the proposed new facility or service could reasonable provide services to residents in the contiguous area.”

Chesapeake Shores is authorized to provide the same service as BHNRC seeks to provide (comprehensive care facility/nursing home service) in the same planning region (St. Mary’s County) where BHNRC seeks to locate. Further, BHNRC proposes the same market area already served by Chesapeake Shores. Accordingly, Chesapeake Shores is entitled to be an interested party in this review. The adverse impact on Chesapeake Shores that would result from the approval of the Application is described below.

State Health Plan Standards and Review Criteria Not Met by the Applicant

1. Jurisdictional Occupancy (COMAR 10.24.08B(3))

(a) The Commission may approve a CON application for a new nursing home only if the average jurisdictional occupancy for all nursing homes in that jurisdiction equals or exceeds a 90 percent occupancy level for at least the most recent 12 month period, as shown in the Medicaid Cost Reports for the latest fiscal year, or the latest Maryland Long Term Care Survey, if no Medicaid Cost Report is filed. Each December, the Commission will issue a report on nursing home occupancy.

(b) An applicant may show evidence why this rule should not apply.

This standard is not satisfied here, even using the now-outdated 2011 occupancy data included in the Application. Average jurisdictional occupancy in 2011 according to the Application was below the 90% threshold, at 84.8%. Further, this overstates the jurisdictional occupancy because it is based on active beds, not total beds which include temporarily

delicensed beds. Chesapeake Shores' occupancy in 2011 based on its total beds of 125 (not its active beds of 117) was only 85%.²

Further, the Application is not based on the most recent (2012) Medicaid cost reports. Chesapeake Shores' occupancy in 2012 declined to 86% of its active bed count of 117, and 82% of its total bed count of 125.³ The Interested Party Comments of SMNC state that its 2012 % occupancy was only 79.5%. This would generate an average jurisdictional occupancy percentage in 2012 of only 83% (using Chesapeake Shores' *active* beds).

The Applicant has not proffered any evidence regarding why this standard should not apply as required by the SHP standard. Rather, it has only made unsupported argument that it should not apply. Specifically, it argues that it should not apply because the Commission has published a need projection for an additional 192 beds in St. Mary's County. If the occupancy threshold could be ignored merely because there is a need projection for the jurisdiction, the standard would lose any meaning or effect. The jurisdictional occupancy standard, by definition, only comes into play when there is a need projection for additional beds in the jurisdiction; otherwise, an application for new beds would not be reviewable in the first place. If the existence of a need projection was sufficient to overcome the standard, the standard would never apply. The jurisdictional occupancy standard operates as a "reality check" against a need projection.

The Applicant also argues that the standard should not apply because the jurisdiction is only 16 beds shy of meeting the jurisdictional occupancy standard. The shortage that the

² Even this percentage is overstated because it includes Medicaid bed hold days which are no longer allowed, reducing the occupancy percentage based on active beds to 87%.

³ If Medicaid bed hold days are excluded, occupancy is even lower at 85% of active beds.

Applicant would have the Commission accept as “close enough,” however, is based on outdated 2011 data and it fails to account for 28 temporarily delicensed beds in St. Mary’s County between the two existing facilities, a shortfall that should not be regarded as sufficiently close to the standard to consider it satisfied.

The Applicant likewise argues that the jurisdictional occupancy standard should not apply because doing so would “deprive” St. Mary’s County residents of a new nursing home to meet the need projected by the Commission. Again, if the existence of a need projection is grounds to waive the jurisdictional occupancy standard, the standard would be deprived of all meaning. The jurisdictional occupancy standard operates independently of the Commission’s need projection.

The Applicant argues that the standard should not apply because the two existing facilities are “older facilities.” If the truism that existing facilities are older than a proposed new facility is sufficient evidence to disregard the standard, then the standard would be meaningless. Nor does the Applicant proffer any evidence to demonstrate that the age of the existing facilities is the reason why the standard is not satisfied. The Applicant also fails to account for the significant renovations that both of the existing facilities have recently made, as detailed below for Chesapeake Shores and in the Comments of St. Mary’s Nursing Center for that facility.

Finally, the Applicant asserts another truism that waiving the standard would increase the choices available to St. Mary’s County residents. It will always be true that waiving the occupancy threshold when it would otherwise prevent approval of an application may result in an additional provider in the jurisdiction. The purpose of the standard is to prevent added capacity when existing facilities have are operating well below capacity.

2. Need

COMAR 10.24.01.08B(3)(b)

For purposes of evaluating an application under this subsection, the Commission shall consider the applicable need analysis in the State Health Plan. If no State Health Plan need analysis is applicable, the Commission shall consider whether the applicant has demonstrated unmet needs of the population to be served, and established that the proposed project meets those needs.

Please discuss the need of the population served or to be served by the Project.

Responses should include a quantitative analysis that, at a minimum, describes the Project's expected service area, population size, characteristics, and projected growth. For applications proposing to address the need of special population groups identified in this criterion, please specifically identify those populations that are underserved and describe how this Project will address their needs.

COMAR 10.24.08B(1)(a)

An applicant for a facility involving new construction or expansion of beds or services, using beds currently in the Commission's inventory, must address in detail the need for the beds to be developed in the proposed project by submitting data including, but not limited to: demographic changes in the target population, utilization trends for the past five years; and demonstrated unmet needs of the target population.

The Applicant's need analysis begins with a recitation of what happened to the most recent attempt to establish a new nursing home in St. Mary's County, the Point Lookout project proposed by FutureCare. The Point Lookout project was proposed to be a new 124-bed (the Commission's need projection at the time) nursing home to be located at the same site as proposed by BHNRC. A CON was granted by the Commission in 2008, but was later voluntarily relinquished by FutureCare after the Commission's decision was upheld on appeal.

The fact that the Point Lookout project did not proceed is not evidence of unmet need in St. Mary's County. To the contrary, that a large and well-established Maryland-based nursing

home chain decided not to proceed with the project after prevailing on appeal undercuts the existence of need. It gives rise to a reasonable inference that the need for additional nursing home beds was not materializing as projected by the Commission. The inference suggested by the BHNRC -- that FutureCare, a large and sophisticated nursing home operator -- was somehow worn down by a "lengthy judicial appeal" is unfounded. The Commission's decision was upheld. This on-the-record appeal was no more lengthy or onerous than any other appeal of a Commission decision after which projects routinely proceed if they continue to be justified.

The Applicant next points to the fact that the Commission subsequently updated the need projection in November, 2012 and projected that 192 additional nursing home beds are needed in St. Mary's County in 2016, an increase over the need projection on which the Point Lookout project was based. The existence of a need projection, however, is not dispositive of need and the Applicant still bears the burden of demonstrating need, a burden which it has not sustained here.

The Applicant then points to population projections for St. Mary's County published by the Maryland Department of Planning ("MDP") which project a 22% increase in population by 2020, and higher growth in the 65+ population. These would have been the same population projections that the Commission would have used in the 2012 update so they add nothing new to the analysis. Population growth projections, even in the 65+ age cohort, do not alone demonstrate need, particularly when actual occupancy rates continue to be low notwithstanding population growth that has already occurred. The population of St. Mary's County increased 22% between 2000 and 2010 according to the MDP data cited by the Applicant. Yet in 2011 -- the year by which the Commission previously projected there would be a need for 124 additional nursing home beds -- Chesapeake Shore's occupancy was only 85% of its total bed complement,

and SMNC's occupancy (as computed in the Application) was only 81.7%. Further, according to the U.S. Census Bureau, St. Mary's County population in 2012 was approximately 109,000, approximately 4% *higher* than in 2010 and halfway to the 8.3% growth projected by MDP for 2015. Yet in 2012, Chesapeake Shores' occupancy based on total beds *declined* to only 82% (86% of active), and SMNC's occupancy *declined* to 79.5%. See SMNC Interested Party Comments at 3. Indeed, 2012 was the third year of decline since 2010, when its occupancy percentage (based on an *active* bed count of 123) reached 90%, only to decline to 89% (based on *active* bed count of 117) in 2011, and 86% (based on *active* bed count of 117) in 2012.

The Applicant has not even attempted to reconcile the substantial population growth that has occurred to date with occupancy levels of active beds well below the level one would expect if there was unmet need, and with the existence of 60 temporarily and permanently delicensed beds in St. Mary's County.

Finally, the Applicant calculates a need projection of 115 beds currently based on a "use rate" of 8.3 for St. Mary's County (which it admits is not the true use rate). It then makes the unsupported assertion that this "use rate" is "suppressed for some reason" because it is lower than the Statewide use rate. There is no evidence that the use rate in St. Mary's County is being inappropriately suppressed,⁴ nor does this analysis support the conclusion that 115 new beds are needed. The suggestion that 115 beds are needed currently is completely undercut by the fact that there were 60 delicensed beds in the County in 2013 and an average occupancy level well below full occupancy.

⁴ One reason that the use rate may appear lower than the rest of the state is that, under the State Health Plan, utilization of the beds in Charlotte Hall is not counted. Although it serves veterans from other parts of the state, Charlotte Hall is located in St. Mary's County and serves St. Mary's County residents.

Accordingly, the Applicant has not demonstrated need in accordance with this standard.

4. More Cost-Effective Alternatives (COMAR 10.24.01.08G(3)(c))

For purposes of evaluating an application under this subsection, the Commission shall compare the cost-effectiveness of providing the proposed service through the proposed project with the cost-effectiveness of providing the service at alternative existing facilities, or alternative facilities which have submitted a competitive application as part of a comparative review.

Please explain the characteristics of the Project which demonstrate why it is a less costly or a more effective alternative for meeting the needs identified.

For applications proposing to demonstrate superior patient care effectiveness, please describe the characteristics of the Project which will assure the quality of the care to be provided. These may include, but are not limited to: meeting accreditation standards, personnel qualifications of caregivers, special relationships with public agencies for patient care services affected by the Project, the development of community-based services or other characteristics the Commission should take into account.

The Applicant attempts to satisfy this standard by asserting that there are no more cost-effective ways to build capacity for 140 beds than its proposed project represents because the existing providers would have to undertake major construction projects to accommodate those additional beds and their costs would be comparable. Mentioning that neither of the existing facilities applied to add these beds, the Applicant asserts that there is no way to know what their costs would have been or whether their expansion would encompass the modern amenities that it proposes to include in BHNRC.

The Applicant's response misses the mark. The existing facilities did not apply to add new beds because they both have significant unused capacity now. It would make no sense for Chesapeake Shores to apply to add any beds when only 82% of its total beds (86% of its active beds) are being occupied, and it has consistently needed to temporarily delicense beds each year to try to manage its costs.

Contrary to the suggestion by the Applicant, this is not due to the facility being older or lacking in updated amenities. Chesapeake Shores has undertaken two renovation projects since the last case, one in 2007 and one completed in May, 2012, which are described on Exhibit 2. Nor is it because the existing facilities do not provide the services that the Applicant may provide. Between Chesapeake Shores and SMNC (as described in its Interested Party Comments), the existing providers provide all of same services that the Applicant states that it *may* (“as the market demands”) provide.

A more cost-effective alternative to developing a new \$15 million nursing home in St. Mary’s County exists -- allow the existing facilities to meet any additional need that develops with their existing unused capacity and to continue to provide the specific services that BHNRC would duplicate. The Application is inconsistent with this standard.

5. Viability of the Proposal (COMAR 10.24.01.08G(3)(d))

For purposes of evaluating an application under this subsection, the Commission shall consider the availability of financial and nonfinancial resources, including community support, necessary to implement the project within the time frame set forth in the Commission’s performance requirements as well as the availability of resources necessary to sustain the project.

The Application does not satisfy this standard because it has not demonstrated how it will overcome significant staffing limitations in the rural area of St. Mary’s County. Chesapeake Shores competes with a variety of other health care facilities and providers for clinical staff, including SMNC, Charlotte Hall (a nursing home more than twice the size of Chesapeake Shores), an acute care hospital and several large physician practices located in the County. Its medical director and its psychiatrist both commute more than 60 miles to Chesapeake Shores, and its attending physician/pulmonologist commutes 40 miles.

Chesapeake Shores regularly encounters long delays in filling positions despite offering competitive compensation packages. On the clinical side, for example, it took Chesapeake Shores more than six months to fill an Assistant Director of Nursing position last year, 3 months to fill an RN supervisor position, and two months to fill a MDS position. The problem is also experienced with therapy positions. Chesapeake Shores recently filled an Occupational Therapy position and a certified occupational therapy assistant position that had been open for more than a year. It currently has an open speech language pathologist position that has been open for more than six months, and a full time physical therapy position that has been open for more than two months.

Further, to the extent that the Applicant is able to recruit the staff it proposes, it will be at the expense of Chesapeake Shores and SMNC, as discussed below.

6. Impact on Existing Providers (COMAR 10.24.01.08G(3)(f))

For evaluation under this subsection, an applicant shall provide information and analysis with respect to the impact of the proposed project on existing health care providers in the service area, including the impact on geographic and demographic access to services, on occupancy, when there is a risk that this will increase costs to the health care delivery system, and on costs and charges of other providers.

Indicate the positive impact on the health care system of the Project, and why the Project does not duplicate existing health care resources. Describe any special attributes of the project that will demonstrate why the project will have a positive impact on the existing health care system.

The Applicant casually asserts that BHNC will not have an adverse impact on existing providers. It simply relies on the Commission's need projection, suggesting that BHNRC will only serve *new* need for beds projected in the County and not take patients from the existing

facilities. According to the Applicant, the existing facilities will continue to operate at the 90% occupancy levels assumed in the need projection.

As set forth above, however, the existing providers are operating far below the 90% threshold now. The addition of a new 140-bed nursing home would greatly exacerbate the excess capacity at Chesapeake Shores and would have a devastating impact on Chesapeake Shores. If average occupancy at Chesapeake Shores falls below 80% (approximately 12 additional vacant beds), Chesapeake Shores will lose viability as a going concern, unable to generate sufficient revenue to meet its expenses.

Further, as set forth above, Chesapeake Shores is already experiencing difficulty in recruiting and retaining qualified staff. The staffing proposed by the Applicant would necessarily be at the expense of Chesapeake Shores, both in terms of its being able to continue to fill positions and in terms of increased staffing expenses due to the increased competition for limited staff. Given the existing difficulties in clinical and therapy staff recruitment, there can be no reasonable dispute that the demand for an additional 80 direct care positions generated by BHRNC would increase the costs and charges of Chesapeake Shores.

Finally, the Applicant has not demonstrated the positive impact on the health care system from this project. It has simply proposed another nursing home in St. Mary's County that will duplicate what is offered by existing providers. As to services to be provided, the Applicant has not committed to what services it will provide, only provided a list of what it might provide if the market demands. Further, between Chesapeake Shores and SMNC (as described in its Interested Party Comments), the existing providers provide all of same services that the Applicant states that it *may* provide. Further, the patient-directed care model described in the Application is not

unique to BHNRC and FCO. Chesapeake Shores is implementing a similar model using the Eden Alternative program. <https://www.edenalt.org/>

7. Disclosure (COMAR 10.24.08A(8))

An applicant shall disclose whether any of its principals have ever pled guilty to, or been convicted of, a criminal offense in any way connected with the ownership, development or management of a health care facility.

The Applicant responded to this standard by stating that none of BHRNC's principals have ever pled guilty to, or been convicted of, a criminal offense in any way connected with the ownership, development or management of a health care facility. In response to Staff's completeness questions, however, the Applicant disclosed that Leonard Grunstein, one of the owners of Fundamental Long Term Care Holdings, LLC, pled guilty to perjury in December of 2013. Response to 2nd Completeness Questions 17(a) (d); Exhibit 1 to Responses to 1st Completeness Questions. The Applicant suggested in this response that this guilty plea was unrelated to Mr. Grunstein's ownership, development or management of a health care facility, stating that it was perjury in a civil deposition relating to the "funding of certain loans." However, as demonstrated in Exhibit 3 hereto, Mr. Grunstein pled guilty to perjury for testimony he gave "in a legal battle for control over a portfolio of 170 nursing homes." This is clearly responsive to a standard calling for disclosure of guilty pleas "in any way connected with the ownership ... of a health care facility."⁵ Accordingly, by denying that this information is responsive to this standard, the Applicant has failed to satisfy the standard.⁶

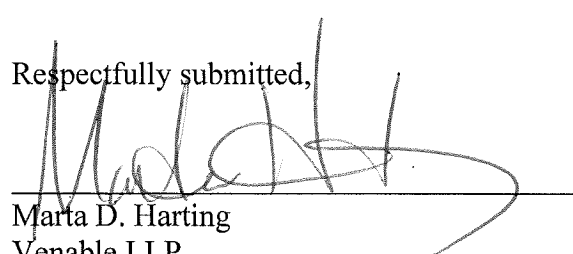
⁵ The Applicant also stated that no principal of FAS or FCOS had ever pled guilty to such an offense. See Response to 1st Completeness Question 11. It is unclear whether FAS and FCOS (part of the "Fundamental Family" according to the Applicant, see Application at 7t) are also under the control of Fundamental Long Term Care Holdings, LLC, such that Mr. Grunstein's plea should have been disclosed in response to this question as well.

⁶ While it denies that this guilty plea is responsive, the Applicant stated in its response that Mr. Grunstein has executed documents which would result in divesting his interests in the Fundamental Long Term Care Holdings,

CONCLUSION

For the reasons stated above and in the Comments of St. Mary's Nursing Center, the Application should be denied.

Respectfully submitted,



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Counsel for LP Lexington Park, LLC d/b/a Chesapeake Shores

LLC, and attached a revised "proposed" organizational chart with different ownership of that entity. See Response to 2nd Completeness Question 17(a) and Exhibit 1 thereto. There is no assurance that this transfer will happen and the Commission should not recognize this potential transfer, particularly in light of the fact that the plea was for perjury "in a legal battle for control" of a portfolio of nursing homes. It should also be noted that the proposed organization chart raises a question whether family members of Leonard Grunstein will acquire ownership interests in the entity.



Signature Consulting Services, LLC
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301-863-7244
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March 7, 2014

To Whom this May Concern:

I, Kelly Friedman, LNHA, Administrator, Chesapeake Shores, hereby declare and affirm under the penalties of perjury that the facts stated in the Interested Party Comments of Lexington Park, LLC d/b/a/ Chesapeake Shores are true and correct to the best of my knowledge, information, and belief.

Kelly Friedman, LNHA
Kelly Friedman, LNHA
Administrator
kfriedman@shccs.com

Subscribed and sworn to before me in the county of St. Mary's, State of Maryland, this 7th day of March, 2014.

Caroline M. Brooks
Notary Public

My Commission Expires: 3-14-17





Signature Consulting Services, LLC
12201 Bluegrass Parkway
Louisville, KY 40299
502-568-7742 (O)
502-568-7142 (F)
sadams@shccs.com

March 7, 2014

To Whom this May Concern:

I, Sandra Adams, VP & General Counsel, Signature HealthCARE, hereby declare and affirm under the penalties of perjury that the facts stated in the Interested Party Comments of Lexington Park, LLC d/b/a/ Chesapeake Shores are true and correct to the best of my knowledge, information, and belief.

Sandra Adams, VP & General Counsel
Signature Consulting Services, LLC and affiliates
sadams@shccs.com

Subscribed and sworn to before me in the county of Jefferson, State of Kentucky, this 7th day of March, 2014.

Notary Public

Notary Seal
Suzanne Carter, Notary Public
Kentucky State at Large
My Commission Expires May 15, 2017

My Commission Expires: 5.17.2017



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wblank@shccs.com

March 7, 2014

To Whom this May Concern:

I, William Blank, Regional Controller, Signature HealthCARE, hereby declare and affirm under the penalties of perjury that the facts stated in the Interested Party Comments of Lexington Park, LLC d/b/a/ Chesapeake Shores are true and correct to the best of my knowledge, information, and belief.

A handwritten signature in black ink, appearing to be "William Blank", written over a horizontal line.

William Blank
Signature HealthCARE, LLC
wblank@shccs.com

Subscribed and sworn to before me in the county of Jefferson, State of Kentucky, this 7th day of March, 2014.

Notary Public

My Commission Expires: _____



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sadams@shccs.com

March 7, 2014

To Whom this May Concern:

I, Sandra Adams, VP & General Counsel, Signature HealthCARE, hereby declare and affirm under the penalties of perjury that the facts stated in the Interested Party Comments of Lexington Park, LLC d/b/a/ Chesapeake Shores are true and correct to the best of my knowledge, information, and belief.

Sandra Adams, VP & General Counsel
Signature Consulting Services, LLC and affiliates
sadams@shccs.com

Subscribed and sworn to before me in the county of Jefferson, State of Kentucky, this 7th day of March, 2014.

Notary Public

My Commission Expires: _____

FUNDAMENTAL FAMILY OF NURSING FACILITIES

as of 1/9/2014

No.	Facility Name	Address	City	ST	Zip Code	Last Annual Survey Exit Date	Total # of Tags	Most Severe Deficiency
1.	Fruitvale Healthcare Center ¹	3020 E. 15th Street	Oakland	CA	94601	10/24/2013		8 E
2.	Indian Meadows Healthcare Center	6505 W. 103rd st.	Overland Park	KS	66212	6/19/2013		5 E
3.	ABC Health Care ²	307 East South Street	Harrisonville	MO	64701	7/11/2013		18 F
4.	Autumn Terrace Health & Rehabilitation ²	6124 Raytown Road	Raytown	MO	64133	9/26/2013		12 F
5.	Ballwin Ridge Health & Rehabilitation ²	1441 Charic Drive	Ballwin	MO	63021	4/11/2013		7 G
6.	BentonviewPark Health & Rehabilitation ²	410 West Benton Street	Monett	MO	65708	6/17/2013		12 L
7.	Frontier Health & Rehabilitation ²	2840 West Clay Street	St. Charles	MO	63301	9/26/2013		8 F
8.	Lee's Summit Pointe Health & Rehabilitation ²	1501 SW 3rd Street	Lee's Summit	MO	64081	5/23/2013		15 F
9.	Meadow View of Harrisonville Health & Rehabilitation ²	2203 E. Mechanic Street	Harrisonville	MO	64701	9/18/2012		12 F
10.	Riverbend Heights Health & Rehabilitation ²	1221 Highway 13 South	Lexington	MO	64067	5/24/2013		11 F
11.	Rolla Health & Rehabilitation Suites ²	1200 McCutchen Road	Rolla	MO	65401	3/12/2013		1 E
12.	St. Louis Place Health & Rehabilitation ²	2600 Redman Road	St. Louis	MO	63136	11/14/2012		9 E
13.	Sunset Hills Health & Rehabilitation Center	10954 Kennerly Rd.	St. Louis	MO	63128	4/12/2013		10 E
14.	Valley View Health & Rehabilitation ²	1600 East Rollins	Moberly	MO	65270	7/11/2013		7 G
15.	Casa Arena Blanca Nursing Center	205 Moonglow	Alamogordo	NM	88310	6/5/2013		2 E
16.	Casa Maria Health Care Center and Pecos Valley Rehabilitation Suites	1601 S. Main St.	Roswell	NM	88203	11/8/2013		4 G
17.	Sunset Villa Care Center	1515 S Sunset Ave	Roswell	NM	88203	6/12/2013		0
18.	College Park Rehabilitation Center	2856 East Cheyenne Ave.	North Las Vegas	NV	89030	7/16/2013		15 E

Exhibit 1

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FUNDAMENTAL FAMILY OF NURSING FACILITIES

as of 1/9/2014

No.	Facility Name	Address	City	ST	Zip Code	Last Annual Survey Exit Date	Total # of Tags	Most Severe Deficiency
19.	Harmon Hospital	2170 East Harmon Ave.	Las Vegas	NV	89119	11/5/2013		8 D
20.	Hearststone of Northern Nevada	1950 Baring Blvd.	Sparks	NV	89434	6/6/2013		10 E
21.	Horizon Health and Rehabilitation Center	660 Desert Lane	Las Vegas	NV	89106	1/15/2013		19 E
22.	North Las Vegas Care Center	3215 E. Cheyenne Ave.	North Las Vegas	NV	89030	4/26/2013		17 E
23.	Southern Nevada Medical and Rehabilitation Center	2945 Casa Vegas	Las Vegas	NV	89109	9/13/2013		16 E
24.	Greenery Specialty Care Center (of Canonsburg)	2200 Hill Church-Houston Rd.	Canonsburg	PA	15317	9/6/2013		6 F
25.	Mountainview Specialty Care Center	227 Sand Hill Road	Greensburg	PA	15601	6/6/2013		0
26.	Lake Emory Post Acute Care	59 Blackstock Rd.	Inman	SC	29349	8/8/2013		9 E
27.	Magnolia Manor - Columbia	1007 North Kings St.	Columbia	SC	29223	2/12/2013		16 G
28.	Magnolia Manor - Greenville	411 Ansel St.	Greenville	SC	29601	11/28/2012		2 D
29.	Magnolia Manor - Greenwood	1415 Parkway Drive	Greenwood	SC	29848	10/4/2012		12 E
30.	Magnolia Manor - Inman	63 Blackstock Road	Inman	SC	29349	10/3/2012		8 G
31.	Magnolia Manor - Rock Hill	127 Murrah Drive	Rock Hill	SC	29732	8/14/2013		3 E
32.	Magnolia Manor of Spartanburg	375 Serpentine Dr.	Spartanburg	SC	29303	6/13/2013		9 G
33.	Magnolia Place - Greenville	35 Southpointe Dr.	Greenville	SC	29607	11/15/2013		6 F
34.	Magnolia Place at Spartanburg	8020 White Avenue	Spartanburg	SC	29303	12/18/2012		2 E
35.	Riverside Health and Rehab	2375 Baker Hospital Blvd.	Charleston	SC	29405	11/1/2013		19 E
36.	Alamo Heights Health and Rehabilitation Center	8223 Broadway	San Antonio	TX	78209	2/7/2013		6 E

FUNDAMENTAL FAMILY OF NURSING FACILITIES

as of 1/9/2014

No.	Facility Name	Address	City	ST	Zip Code	Last Annual Survey Exit Date	Total # of Tags	Most Severe Deficiency
37.	Bremond Nursing and Rehabilitation Center	211 North Main Street	Bremond	TX	76629	11/14/2013		6 F
38.	Bridgcrest Rehabilitation Suites ³	14100 Karissa Court	Houston	TX	77049	n/a	n/a	n/a
39.	Brownfield Rehabilitation and Care Center	510 South First Street	Brownfield	TX	79316	5/31/2013		8 F
40.	Canton Oaks	1901 S Trade Days Blvd	Canton	TX	75103	8/7/2013		7 F
41.	Corinth Rehabilitation Suites on the Parkway	3511 Corinth Parkway	Corinth	TX	76208	7/26/2013		1 F
42.	Country Meadows Nursing and Rehabilitation Center	3301 Park Row Blvd	Corsicana	TX	75110	5/13/2013		0
43.	Crestview Manor Nursing and Rehabilitation Center	1103 Mary Jane Street	Belton	TX	76513	5/8/2013		0
44.	Crosbyton Nursing and Rehabilitation Center	222 North Farmer	Crosbyton	TX	79322	4/3/2013		11 F
45.	Grace Care Center	1101 Grace St.	Wichita Falls	TX	76301	12/6/2012		3 F
46.	Heritage Oaks	1112 Gibbins Rd.	Arlington	TX	76011	3/15/2013		7 H
47.	Heritage Place	825 West Kearney	Mesquite	TX	75149	1/18/2013		5 F
48.	Hillside Heights Rehabilitation Suites	6650 South Soncy Road	Amarillo	TX	79119	8/21/2013		8 F
49.	Iowa Park Healthcare Center	1109 N Third Street	Iowa Park	TX	76367	2/15/2013		7 E
50.	Kirkland Court Health and Rehabilitation Center	1601 Kirkland Drive	Amarillo	TX	79106	9/11/2013		2 F
51.	Lakeside Rehabilitation and Care Center	4306 24th Street	Lubbock	TX	79410	12/13/2012		9 F
52.	Meadowbrook Care Center	632 Windsor Way	Van Alstyne	TX	75495	11/26/2013		0
53.	Mulberry Manor	1670 Lingleville Road	Stephenville	TX	76401	8/15/2013		4 F
54.	Plainview Healthcare Center	2510 W 24th Street	Plainview	TX	79072	9/27/2013		6 F

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FUNDAMENTAL FAMILY OF NURSING FACILITIES

as of 1/9/2014

No.	Facility Name	Address	City	ST	Zip Code	Last Annual Survey Expt Date	Total # of Tags	Most Severe Deficiency
55.	River Valley Health & Rehabilitation Center	1907 Refinery Road	Gainesville	TX	76240	11/21/2013	2	F
56.	Southwest Regional Skilled Nursing Center	1409 9th Street	Lubbock	TX	79401	3/7/2013	2	F
57.	Stoneybrook Healthcare Center	2808 Stoneybrook	Houston	TX	77063	11/21/2013	10	F
58.	The Courtyards at Pasadena	4048 Red Bluff Road	Pasadena	TX	77503	11/8/2012	15	F
59.	The Terrace at Denison	1300 Memorial Drive	Denison	TX	75020	4/10/2013	1	C
60.	The Village at Richardson	1111 Rockingham Lane	Richardson	TX	75080	11/22/2013	7	F
61.	Villa Haven Health and Rehabilitation Center	300 South Jackson Street	Breckenridge	TX	76424	12/12/2013	0	
62.	Winterhaven Healthcare Center	6534 Stuebner - Airline	Houston	TX	77091	9/20/2013	11	E
63.	Woodlake Nursing Home	603 E. Plantation Road	Clute	TX	77531	5/16/2013	6	E
64.	Hartford Healthcare Center	1202 East Sumner St.	Hartford	WI	53027	8/29/2013	14	G

2. The operations of each of these facilities became part of the Fundamental family on 1-1-14.
2. The operations of each of these facilities became part of the Fundamental family on 9-16-13. Many of these surveys occurred prior to the operations transferring to the Fundamental family.
3. This facility is to be licensed within the next week. It has not yet had a health survey.

Exhibit 2

Chesapeake Shores Renovations – 2007 and 2012

Replacement of tile floors with hard wood-like floor product throughout building, inclusive of resident rooms

Reconstruction of 2 nursing stations

Addition of molding, wainscoting throughout building

Painting of interior, inclusive of resident rooms, and exterior of building

Re-location and remodeling of therapy room

Purchase of therapy equipment

Purchase of all new room furnishings for building, including electric beds

Purchase of adjustable dining room tables and chairs

Renovation of resident bathrooms, inclusive of new flooring, countertops, mirrors

New in room above bed lighting in all resident rooms

New call bell sconce lighting outside of each resident room

Purchase of new stove

Roof replacement

Installation of computer lab and WIFI

Leonard Grunstein Pleads Guilty to Perjury in SV Care Holdings Case | The ...

Exhibit 3

The New York Observer

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LAW AND ORDER

Prominent Real Estate Lawyer Leonard Grunstein Pleads Guilty to Perjury in SV Care Case
By Kim Velsey 12/11/13 4:31pm

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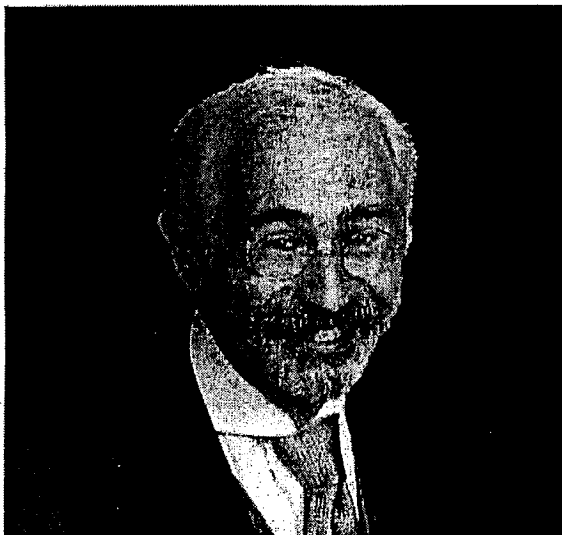
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Leonard Grunstein pleaded guilty to perjury.
(leonardgrunstein.com)

Leonard Grunstein, a prominent real estate attorney known for his work on the Stuyvesant Town Peter Cooper Village case the third degree for testimony he gave in a legal battle for control over a portfolio of 170 nursing homes.

As part of the plea agreement, Mr. Grunstein, 61, a former Troutman Sanders attorney who later resigned from the New York Bar to apply for re-admission, according to the Manhattan district attorney's office.

The perjury conviction stemmed from a lawsuit over a complicated real estate deal in which Mr. Grunstein partnered with investor Ruby Schron, orchestrating a leveraged \$1.3 billion buyout of a nursing home operator known as Mariner Health Services. Mr. Schron, who made a \$100 million loan to help finance the buyout, was entitled to acquire a controlling share of the company. However, when Mr. Schron tried to exercise the option in 2010, Mr. Grunstein and his business partner filed a civil lawsuit. Mr. Schron had never made good on the promised \$100 million loan and thus was not entitled to exercise the option. Mr. Grunstein testified that in 2009 he told an associate the \$100 million loan had never been funded, a decision upheld on appeal. The judge in the case ruled against Mr. Grunstein and his business partner, finding the loan had been funded, a decision upheld on appeal.

In his guilty plea, Mr. Grunstein admits to having made false statements under oath.

Leonard Grunstein Pleads Guilty to Perjury in SV Care Holdings Case | The ...

"On January 25, 2011 I testified at a deposition in the civil matters at a law office in Manhattan. Prior to giving my testimony public that I would testify truthfully. During the deposition, however, I intentionally made a false statement that I did not believe that deposition that, in the summer of 2009, I told Jack Boese that the \$100 million loan had not been funded, a relevant fact that conversation with Boese," states the guilty plea, which Mr. Grunstein read this morning in court.

Mr. Grunstein has not yet responded to a request for comment made through his attorney, Barry Berke. Currently a managing director at Estate Development & Funding and Hanlen Healthcare Development & Funding, Mr. Grunstein has maintained a high profile in legal proceedings, penning editorials and blogging. He was also featured in *New York Times* reporter Charles V. Bagli's April 20 report on Speyer's default on the Stuyvesant Town mortgage. Mr. Grunstein represented the Stuyvesant Town-Peter Cooper Village tenants in a \$173 million settlement by proving that Tishman Speyer had illegally removed apartments from rent stabilization. "Witness oaths are sacred," said District Attorney Cyrus R. Vance in a statement following the conviction. "The administrative witnesses believe that they can lie with impunity, and especially when that witness is an attorney. Falsely testifying under oath in a proceeding, is a crime, and we will continue to pursue such conduct."

Mr. Grunstein is due to appear in court on February 4 for sentencing. The maximum sentence for perjury in the third degree is one year in jail, a fine of \$1,000 and restitution. However, as part of the plea agreement, the D.A. will recommend that Mr. Grunstein receive a conditional discharge, 150 hours of community service and a \$1,000 fine.

Follow Kim Velsey on Twitter or via RSS: kvelsey@observer.com

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Tags: Law and Order, Manhattan District Attorney, Mariner Health Services, Rubin Schron, Ruby Schron, SV Care, SV Care Town, leonard grunstein, perjury, perjury in the third degree

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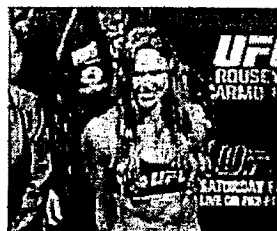
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STATE OF MARYLAND

DHMH

Maryland Department of Health and Mental Hygiene

Office of Health Care Quality

Spring Grove Center • Bland Bryant Building

55 Wade Avenue • Catonsville, Maryland 21228-4663

Martin O'Malley, Governor - Anthony G. Brown, Lt. Governor - Joshua M. Sharfstein M.D., Secretary

September 23, 2013

Ms. Kelly Smith-Friedman, Administrator
Chesapeake Shores
21412 Great Mills Road
Lexington Park, MD 20653

Dear Ms. Smith-Friedman:

This is to acknowledge your letter dated August 15, 2013, requesting to de-license 8 beds. The Maryland Health Care Commission has authorized the de-licensing of beds effective October 1, 2013.

The enclosed license will be in effect until June 12, 2014, unless revoked. It is your authority to maintain a Comprehensive Care Facility (CCF) with a licensed capacity of 117 beds under the provisions of COMAR 10.07.02.

This license should be displayed in a conspicuous place, at or near the entrance, plainly visible and easily read by the public.

Sincerely,

Patricia Tomsko Nay, M.D., Executive Director
Office of Health Care Quality

NG/cjc

Enclosure: License No. 18-003,

cc: Saint Mary's County Health Department
Maryland Health Care Commission
Medical Care Operations Administration
Medical Care Policy Administration
Myers and Stauffer
Lynda Lazaro
Jackie Cooper, Survey Coordinator
License File

Toll Free 1-877-4MD-DHMH • TTY for Disabled - Maryland Relay Service 1-800-735-2258

Web Site: www.dhmh.maryland.gov

Ms. Smith-Friedman, Administrator
Chesapeake Shores
Page Two
September 23, 2013

The room and bed breakdown is as follows:

<u>CATEGORY</u>	<u>LOCATION</u>	<u>TOTAL</u>
Comprehensive Care Facility	First Floor	
	Single Rooms:	100, 105, 108, 126, 128
		05 beds
	Duplex Rooms:	101, 102, 103, 104, 106 107, 109, 110, 111, 112, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 127, 129, 130, 131
		52 beds
	Total First Floor	57 beds
	Second Floor	
	Single Rooms:	204, 211, 221, 223
		04 beds
	Duplex Rooms:	200, 201, 202, 203, 205, 206, 207, 208, 209, 210, 212, 214, 215, 216, 217, 218, 219, 220, 222, 224, 225, 226, 227, 228, 229, 231, 233, 235
	56 beds	
	Total Second Floor	60 beds
	Overall Total	117 beds



**MARYLAND
DEPARTMENT OF HEALTH AND MENTAL HYGIENE
OFFICE OF HEALTH CARE QUALITY**

SPRING GROVE CENTER
BLAND BRYANT BUILDING
55 WADE AVENUE
CATONSVILLE, MARYLAND 21228

License No. 18003

Issued to: Chesapeake Shores
21412 Great Mills Road
Lexington Park, MD 20653

Type of Facility and Number of Beds:
Comprehensive Care Facility - 117 Beds

Date Issued: October 1, 2013

This license has been granted to: LP Lexington Park LLC

Authority to operate in this State is granted to the above entity pursuant to The Health-General Article, Title 19 Section 318, Annotated Code of Maryland, 1982 Edition, and subsequent supplements and is subject to any and all statutory provisions, including all applicable rules and regulations promulgated there under. This document is not transferable.

Expiration Date: June 12, 2014

Patricia Tomoko May, MD

Director

Falsification of a license shall subject the perpetrator to criminal prosecution and the imposition of civil fines.



STATE OF MARYLAND

DHMH

Maryland Department of Health and Mental Hygiene

Office of Health Care Quality

Spring Grove Center • Bland Bryant Building

55 Wade Avenue • Catonsville, Maryland 21228-4663

Martin O'Malley, Governor – Anthony G. Brown, Lt. Governor – Joshua M. Sharfstein M.D., Secretary

June 25, 2012

Ms. Kelly Smith Friedman, Administrator

Chesapeake Shores

21412 Great Mills Road

Lexington Park, MD 20653

Dear Ms. Smith Friedman:

This is to acknowledge your letter, requesting to temporarily de-license 8 comprehensive care facility beds which have been approved by the Maryland Health Care Commission effective **July 1, 2012**.

The enclosed license will be in effect until **June 12, 2014**, unless revoked. It is your authority to maintain a comprehensive care facility with a licensed capacity of **117 beds** under the provision of *COMAR 10.07.02*.

This license is to be displayed in a conspicuous place, at or near the entrance, plainly visible and easily read by the public.

The room and bed breakdown is attached.

Sincerely,

Nancy Grimm, Director

Office of Health Care Quality

NG/lad

Enclosure: **License No. 18003**

cc: St. Mary's County Health Officer

Maryland Health Care Commission

Medical Care Operations Administration

Medical Care Policy Administration

Myers and Stauffer

Lynda Lazaro

Jackie Cooper, Survey Coordinator

License File

Toll Free 1-877-4MD-DHMH • TTY for Disabled – Maryland Relay Service 1-800-735-2258

Web Site: www.dhmh.state.md.us

Ms. Kelly Smith Friedman, Administrator
Chesapeake Shores
June 25, 2012
Page Two

The room and bed breakdown is as follows:

<u>CATEGORY</u>	<u>LOCATION</u>	<u>TOTAL</u>
Comprehensive Care Facility	<u>Wing One</u> 100A, 101A, 101B, 102A, 102B, 103A, 103B, 104A, 104B, 105A, 106A, 106B, 107A, 107B, 108B, 109A, 109B, 110A, 110B, 111A, 111B, 112A, 112B, 114A, 114B, 115A, 116B, 117A, 117B, 118A, 118B, 119A, 119B, 120A, 120B, 121A, 121B, 122A, 122B, 123A, 123B, 124A, 124B, 125A, 125B, 126B, 127A, 127B, 128B, 129B, 130A, 130B, 131A, 131B.	57 Beds
	<u>Wing Two</u> 200A, 200B, 201A, 201B, 202A, 202B, 203A, 203B, 204A, 205A, 205B, 206A, 206B, 207A, 207B, 208A, 208B, 209B, 210A, 210B, 211B, 212A, 212B, 214B, 215A, 215B, 216A, 216B, 217A, 217B, 218A, 218B, 219A, 219B, 220A, 220B, 221A, 221B, 223A, 223B, 224A, 224B, 225A, 225B, 226A, 226B, 227A, 227B, 228A, 228B, 229A, 229B, 231A, 233A, 233B, 235A, 235B.	60 Beds
	OVERALL TOTAL	117 BEDS



**MARYLAND
DEPARTMENT OF HEALTH AND MENTAL HYGIENE
OFFICE OF HEALTH CARE QUALITY**

SPRING GROVE CENTER
BLAND BRYANT BUILDING
55 WADE AVENUE
CATONSVILLE, MARYLAND 21228

License No. 18003

Issued to:

Chesapeake Shores
21412 Great Mills Road
Lexington Park, MD 20653


Type of Facility and Number of Beds:
Comprehensive Care Facility - 117 Beds

Date Issued: July 1, 2012

This license has been granted to: LP Lexington Park, LLC

Authority to operate in this State is granted to the above entity pursuant to The Health-General Article, Title 19 Section 318, Annotated Code of Maryland, 1982 Edition, and subsequent supplements and is subject to any and all statutory provisions, including all applicable rules and regulations promulgated there under. This document is not transferable.

Expiration Date: June 12, 2014


Director

Falsification of a license shall subject the perpetrator to criminal prosecution and the imposition of civil fines.

Marilyn Moon, Ph.D.
CHAIR

STATE OF MARYLAND



Rex W. Cowdry, M.D.
EXECUTIVE DIRECTOR

MARYLAND HEALTH CARE COMMISSION

4160 PATTERSON AVENUE - BALTIMORE, MARYLAND 21215
TELEPHONE: 410-764-3480 FAX: 410-358-1236

April 25, 2011

Matt Bilewicz
Audit & Reimbursement Analyst
Signature HealthCARE
12201 Bluegrass Parkway
Louisville, Kentucky 40299

Re: Temporary Delicensure of Two Comprehensive Care
Facility Beds
Chesapeake Shores
21412 Great Mills Rd, Lexington Park, Maryland

Dear Mr. Bilewicz:

I write in response to your letter, dated March 28, 2011, in which you request that the Maryland Health Care Commission authorize the temporary delicensure of two comprehensive care facility ("CCF") beds at Chesapeake Shores for a period of one year, while retaining the beds in the Commission's nursing home bed inventory for the facility. The Commission hereby authorizes Chesapeake Shores to request that the Office of Health Care Quality re-issue its current license of 125 CCF beds to reflect a total of 123 CCF beds for a period of one year with an effective date of May 1, 2011.

Under COMAR 10.24.01.03C(5), Chesapeake Shores must notify the Commission by April 1, 2012, that it will take one of the following actions within 30 days of that date:

- (a) Apply to relicense the bed capacity...;
- (b) Submit...a specific plan for the relicensure of the bed capacity...that:
 - i. Imposes stated time frames by which the steps towards relicensure of the bed capacity....will be accomplished...;

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1-877-245-1762

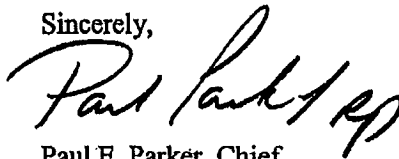
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MARYLAND RELAY SERVICE
1-800-735-2258

- (c) File a letter of intent, followed within 60 days by a Certificate of Need application, or request the applicable level of Commission action...for the relocation of the bed capacity..., or for a capital expenditure deemed necessary to relicense the temporarily delicensed beds...;
- (d) Execute a binding contract to transfer ownership of the health care facility...;
- (e) Execute a binding contract to transfer ownership of the previously licensed bed capacity, contingent on the filing within 30 days of a letter of intent to apply for Certificate of Need approval, or request the applicable level of Commission action... to relocate the bed capacity; or
- (f) Relinquish the bed capacity....

If Chesapeake Shores determines that it will relicense the beds at any point during the one-year period, it must request that the Commission authorize the relicensure, and then convey the Commission's written response to the Office of Health Care Quality, along with your request to amend and re-issue the facility's license. Also, since Commission regulations related to the addition of waiver beds [COMAR 10.24.01.03E(2)] require that two years pass between changes in licensed capacity, the facility will not qualify for a waiver bed increase until two years after the last change to the facility's license by the Office of Health Care Quality.

If you have any questions about this determination, please contact me at (410) 764-3261.

Sincerely,



Paul E. Parker, Chief
Certificate of Need Program

cc: Pamela W. Barclay
Linda Cole
Nancy Grimm, Office of Health Care Quality, DHMH
Steve Hiltner, Division of Long Term Care, Office of Health Services, DHMH
William Icenhower, M.D. St. Mary's County Health Department